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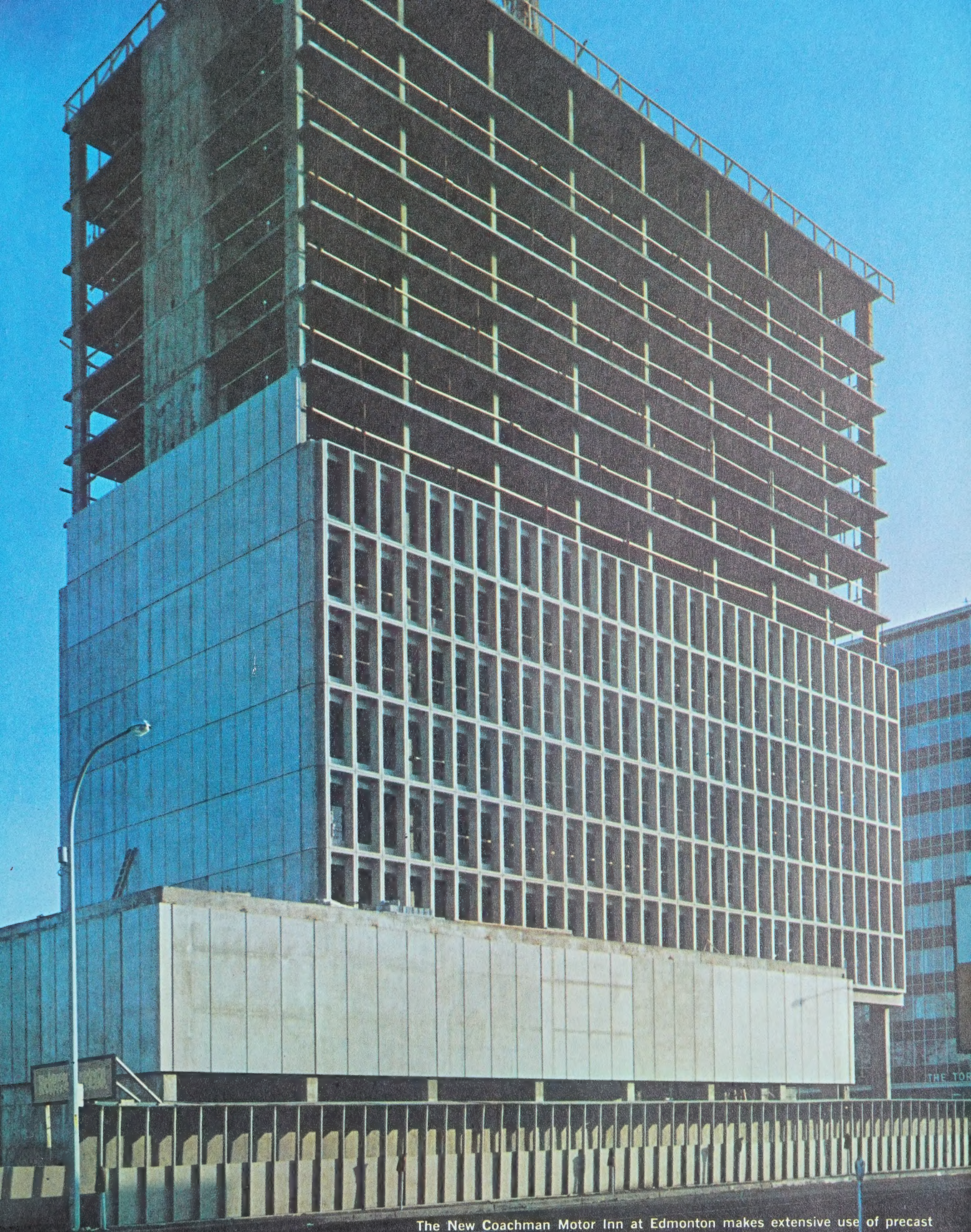
**INLAND CEMENT COMPANY LIMITED**  
**1963 ANNUAL REPORT**





**INLAND CEMENT COMPANY LIMITED**





The New Coachman Motor Inn at Edmonton makes extensive use of precast concrete wall panels and cast-in-place concrete frames.



## HIGHLIGHTS OF THE YEAR

	1963		1962		Increase (Decrease)
	Amount	Per Participating Preferred Share	Amount	Per Participating Preferred Share	
Net Earnings before Income Taxes	\$ 2,727,216	\$ 1.92	\$ 2,714,517	\$ 1.91	\$ 12,699
Provision for Income Taxes	1,048,000	0.74	—	0.00	1,048,000
Net Earnings after Taxes	1,679,216	1.18	2,714,517	1.91	(1,035,301)
Dividends	1,136,660	0.80	1,136,660	0.80	—
Stockholders' Equity	25,657,205	18.06	25,114,649	17.68	542,556

## INLAND'S MARKET

With the completion of the Winnipeg plant, Inland's market area will extend from north-western Ontario to central British Columbia and from the United States to as far north in western Canada as cement is required—an area of about 2,600,000 square miles. This is a growth sector embodying all the major oil producing fields of Canada, the nation's major grain producing area and the fastest growing cities in the country. The total population is presently about 4,000,000.

By 1965 cement will be supplied to this vast area principally from six plants. Three will be Inland's, situated at Edmonton, Regina and Winnipeg. Of the three competing plants two will be located at Winnipeg and one near Calgary. Together, these six plants will be capable of producing the cement required for more than 10,000,000 cubic yards of concrete annually. This will be considerably in excess of immediate requirements and competition will be keen. Quality products and fine customer service will ensure Inland's place in this market.



## **Directors**

Charles de Bar  
F. Campbell Cope, Q.C.  
Jules Dubois-Pelerin  
W. Leslie Forster, C.B.E.  
Andre P. Jadoul  
Fred T. Jenner  
F. Clar Manning  
Max Nokin  
Hugh E. Pearson  
William S. Ziegler

## **Officers**

W. Leslie Forster, C.B.E., Chairman of the Board  
William S. Ziegler, President  
D. R. B. McArthur, Executive Vice-President  
George Ross, Vice-President—Marketing  
Walter S. Bannister, Vice-President—Production  
E. John Cuyler, Secretary-Treasurer  
Joseph J. Stratton, Assistant Secretary  
Angus A. MacNaughton, Assistant Treasurer

## **General Counsel**

Howard, Cate, Ogilvy, Bishop, Cope,  
Porteous & Hansard, Montreal  
Chambers, Saucier, Jones,  
Peacock, Black, Gain  
& Stratton, Edmonton

## **Auditors**

McDonald, Currie & Co.  
Edmonton

## **Transfer Agents and Registrars**

Montreal Trust Company  
Halifax, Montreal, Toronto, Winnipeg,  
Edmonton, Calgary, Vancouver

## **Cement Plants**

Edmonton, Alberta  
Regina, Saskatchewan  
Winnipeg, Manitoba (under construction)

## **Sales Offices**

Edmonton, Alberta  
Calgary, Alberta  
Regina, Saskatchewan  
Saskatoon, Saskatchewan  
Winnipeg, Manitoba  
Brandon, Manitoba



# DIRECTORS' REPORT

Your Directors take pleasure in submitting herewith the Annual Report for 1963, together with the Report of the Auditors, Messrs. McDonald, Currie & Co.

The consolidated net earnings for the Company before provision for income taxes amounted to \$2,727,216, a slight increase over the previous record of \$2,714,517 which was achieved in 1962. After a provision of \$1,048,000 for income taxes, net earnings for the year amounted to \$1,679,216.

While sales volume was somewhat lower than in 1962, the higher earnings before tax were achieved as a result of improved operations, increased income from the larger investment portfolio and the non-recurrence of certain costs charged to 1962 operations.

Dividends of 80c per share on the outstanding Participating Preferred shares and 8c per share on the outstanding Ordinary shares were distributed to shareholders in December from 1963 earnings.

The building industry did not enjoy as favourable a year in this marketing area as in 1962. The elimination of the sales tax exemption on building materials had a confusing effect even though its full application was deferred. However, the optimism generated by the large export grain sales and the government incentives for Winter construction combined to stimulate construction activity towards the end of the year.

The Company continued to promote new and more efficient methods of utilizing cement and concrete.

The plants and quarries operated satisfactorily during the year with notable improvements in efficiency in a number of operations as a result of the efforts of the production staff. The capital cost programme included the construction of a modern cement distribution facility and sales office at Calgary, Alberta. The remainder of the capital expenditures were directed toward plant improvements and necessary equipment replacements.

In April the Company announced its intention to build a new cement manufacturing plant near Winnipeg, Manitoba. Engineering work on this project is progressing favourably and the construction programme will be under way early this Spring. The site chosen in the Town of Tuxedo has been cleared and provided with road and rail access to facilitate an early start on construction. Completion of the project is scheduled for early 1965. A Winnipeg sales office was opened during 1963 and Inland cement from the Regina plant is now available to all parts of Manitoba pending availability of production from Winnipeg. The Winnipeg plant will be financed partly out of the Company's own cash resources and partly by additional borrowing. Consequently no shares will be issued for this purpose.

It was with sincere regret that the Board of Directors accepted the resignation of Mr. Henry Blaise whose other activities caused him to relinquish his position as a Director of the Company. Mr. Blaise, who was closely concerned with the founding of the Company, always contributed his active interest and sound counsel and he will be much missed. Mr. Charles de Bar, Vice President of Sogemines Limited, was elected to the Board to fill this vacant position.

Staff and labour relations continued to be excellent throughout the year. It is a pleasure to report that for the second time the Regina employees were successful in completing a full year without incurring a single lost-time accident.

Your Directors acknowledge with gratitude the loyalty and cooperation of employees at all levels whose efforts are reflected in the success of the Company's operations.

A number of large projects in our market area are nearing completion and this together with the announced increases in sales tax on building materials may have a deterring effect on general construction activity. However, the export wheat sales should improve the Canadian prairie market economy and this should result in a strong basic market for cement. On the whole, the outlook for 1964 is good and the Company looks forward to another successful year.

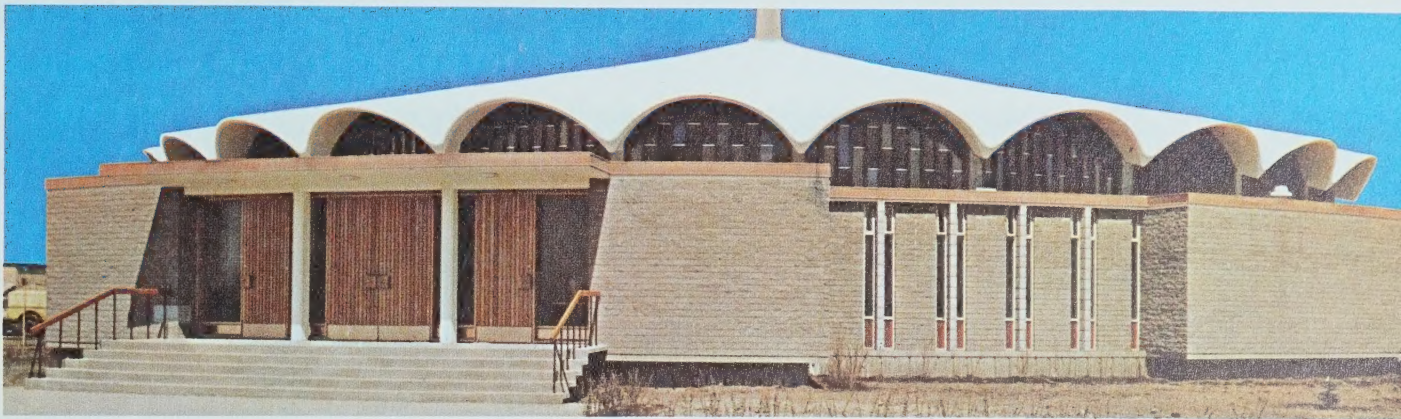
On behalf of the Board of Directors,



W. S. ZIEGLER,  
President

10 March 1964.





*A dramatic use of concrete is evident in this barrel shell roof of the Holy Trinity Roman Catholic Church, Calgary.*



*Precast exposed aggregate concrete wall panels form the façade of the Victoria Vocational School, Edmonton.*

*The Royal Alexandra Hospital in Edmonton has gained a striking effect for the main entrance through use of this concrete barrel shell canopy.*





## Inland Cement Company Limited

## Assets

	1963	1962
Current Assets		
Cash -----	282,760	257,446
Accounts receivable -----	1,702,535	1,631,143
Inventories of cement, production materials and supplies—at cost -----	1,910,175	1,850,560
Prepaid expenses -----	41,314	65,274
	<u>3,936,784</u>	<u>3,804,423</u>
Temporary Investments—at cost -----	6,896,925	5,047,925
Fixed Assets		
Land, buildings and machinery—at cost (Note 2) -----	31,069,350	30,138,316
Quarries owned and leased—at cost -----	777,506	777,506
	<u>31,846,856</u>	<u>30,915,822</u>
Accumulated depreciation and depletion (Note 1) ---	8,734,866	7,195,632
	<u>23,111,990</u>	<u>23,720,190</u>
Unamortized Bond and Debenture Discount ----	78,007	86,325
Approved on Behalf of the Board		
W. L. Forster	} Directors	
W. S. Ziegler		
	<u>\$34,023,706</u>	<u>\$32,658,863</u>



# Balance Sheet

(Comparative figures for the previous year)

and its wholly owned Subsidiary **Saskatchewan Cement Company Limited**

## Liabilities

### Current Liabilities

	1963	1962
Accounts payable and accrued expenses -----	785,001	890,714
Provision for income taxes -----	1,048,000	—
Current portion of long term debt -----	120,000	120,000
	<u>1,953,001</u>	<u>1,010,714</u>

### Long Term Debt

4½ % convertible sinking fund debentures series "A" due 15 July 1976 -----	653,500	653,500
6¾ % first mortgage sinking fund bonds series "A" due 1 May 1975 (less current instalment) -----	5,760,000	5,880,000
	<u>6,413,500</u>	<u>6,533,500</u>

## Shareholders' Equity

Capital Stock— Authorized— 2,400,000 6% participating preferred shares (non-callable and non-cumulative) of the par value of \$10 each -----	24,000,000	
4,000,000 ordinary shares of the par value of \$1 each -----	4,000,000	
	<u>\$28,000,000</u>	
Issued and fully paid— 1,220,824 preferred shares -----	12,208,240	12,208,240
2,000,000 ordinary shares -----	2,000,000	2,000,000
	<u>14,208,240</u>	<u>14,208,240</u>
Premium on capital stock -----	5,773,260	5,773,260
Retained earnings -----	5,675,705	5,133,149
	<u>25,657,205</u>	<u>25,114,649</u>
	<u>\$34,023,706</u>	<u>\$32,658,863</u>



# Inland Cement Company Limited

## Consolidated Statement of Earnings

for the year ended 31 December 1963  
(with comparative figures for the previous year)

	1963	1962
Net Earnings including income from investments of \$156,942 (\$72,685 in 1962) and before the undernoted items -----	4,948,029	5,063,612
Interest on bonds and debentures -----	429,673	434,408
Remuneration of executive officers -----	127,689	127,292
Directors' fees -----	8,550	8,650
Legal fees -----	25,000	15,000
Amortization of bond and debenture discount -----	8,318	6,927
	<u>599,230</u>	<u>592,277</u>
	4,348,799	4,471,335
Depreciation and depletion -----	<u>1,621,583</u>	<u>1,756,818</u>
Net Earnings before income taxes -----	2,727,216	2,714,517
Provision for income taxes -----	<u>1,048,000</u>	<u>—</u>
Net Earnings for the year (Note 1) -----	<u>\$ 1,679,216</u>	<u>\$ 2,714,517</u>

## Consolidated Statement of Retained Earnings

for the year ended 31 December 1963  
(with comparative figures for the previous year)

	1963	1962
Balance—Beginning of Year -----	5,133,149	3,555,292
Net earnings for the year -----	<u>1,679,216</u>	<u>2,714,517</u>
	6,812,365	6,269,809
Dividends paid—		
Preferred shares -----	976,660	976,660
Ordinary shares -----	<u>160,000</u>	<u>160,000</u>
	1,136,660	1,136,660
Balance—End of Year -----	<u>\$ 5,675,705</u>	<u>\$ 5,133,149</u>



## Notes to Consolidated Financial Statements

for the year ended 31 December 1963

1. The companies have continued the practice of claiming for income tax purposes the maximum capital cost allowance permitted by the regulations. This amount which exceeds the depreciation recorded in the accounts, together with the accumulated excess of prior years, is sufficient to reduce the income tax provision for the year by \$310,000. The accumulated amount by which taxes have been reduced in this way is \$4,922,000.
2. Fixed assets include \$430,000 in capital outlays relating to the companies' new plant in Winnipeg.

## Consolidated Statement of Source and Use of Funds

for the year ended 31 December 1963

### Source of Funds

Net earnings for the year -----	1,679,216
Provision for depreciation, depletion and amortization not involving cash outlay_	1,629,901
	<u>3,309,117</u>

### Use of Funds

Net expenditures for fixed assets -----	1,013,383
Dividends paid -----	1,136,660
Current instalment on long term debt ----	120,000
Increase in temporary investments -----	1,849,000
	<u>4,119,043</u>

Decrease in Working Capital -----	<u>\$ 809,926</u>
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	1963	1962	Decrease
Current assets -----	3,936,784	3,804,423	(132,361)
Current liabilities -----	1,953,001	1,010,714	942,287
Working capital -----	<u>\$1,983,783</u>	<u>\$2,793,709</u>	<u>\$ 809,926</u>



# Auditors' Report to the Shareholders

MCDONALD, CURRIE & CO.

CHARTERED ACCOUNTANTS

COOPER BROTHERS & CO.

CHARTERED ACCOUNTANTS

COOPERS & LYBRAND

CANADA, UNITED KINGDOM, UNITED STATES OF AMERICA, MEXICO, BERMUDA,

BELGIUM, FRANCE, GERMANY, THE NETHERLANDS, ITALY, SWITZERLAND,

AUSTRALIA, NEW ZEALAND, IRAN, MALAYA, SINGAPORE,

UNION OF SOUTH AFRICA, CENTRAL, EAST AND WEST AFRICA

MONTREAL QUEBEC OTTAWA TORONTO SAINT JOHN  
CHARLOTTETOWN HALIFAX RIMOUSKI SHERBROOKE HAMILTON  
KITCHENER WINNIPEG EDMONTON CALGARY VANCOUVER

TELEPHONES

422-4992

422-2243

CABLE ADDRESS

"CURMAC"

407 ROYAL TRUST BUILDING

10039 JASPER AVENUE

EDMONTON

ALBERTA, CANADA

## The Shareholders

### Inland Cement Company Limited

We have examined the consolidated balance sheet of Inland Cement Company Limited and its wholly owned subsidiary, Saskatchewan Cement Company Limited, as at 31 December 1963 and the consolidated statements of earnings and retained earnings for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the companies, the accompanying consolidated balance sheet and consolidated statements of earnings and retained earnings, when read in conjunction with the notes appended thereto, are properly drawn up so as to exhibit a true and correct view of the consolidated state of the affairs of the companies as at 31 December 1963 and the consolidated results of their operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

*McDonald, Currie & Co.*

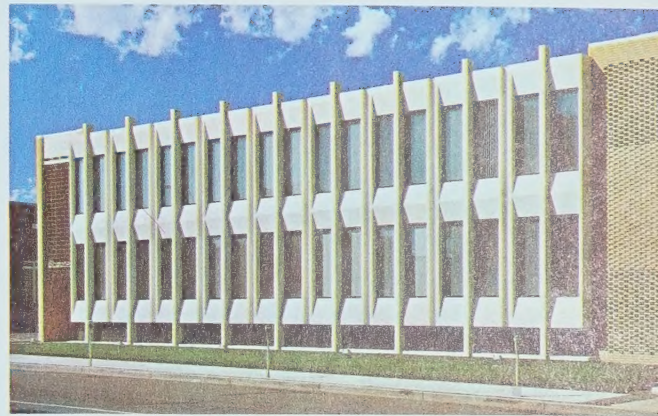
24 January 1964

Chartered Accountants.

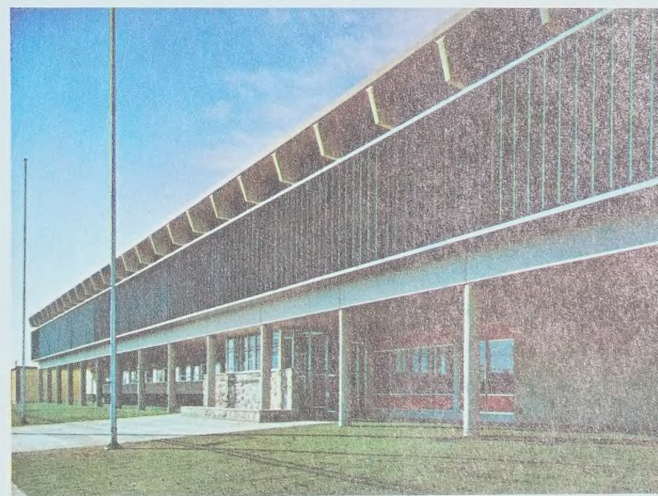




*Clean lines and simple contrast mark the Texaco Building in Calgary which employs cast-in-place concrete frame with exposed wall panels.*



*The Wawanesa Insurance Building in Edmonton is built entirely of precast concrete with concrete structural load-bearing wall panels.*

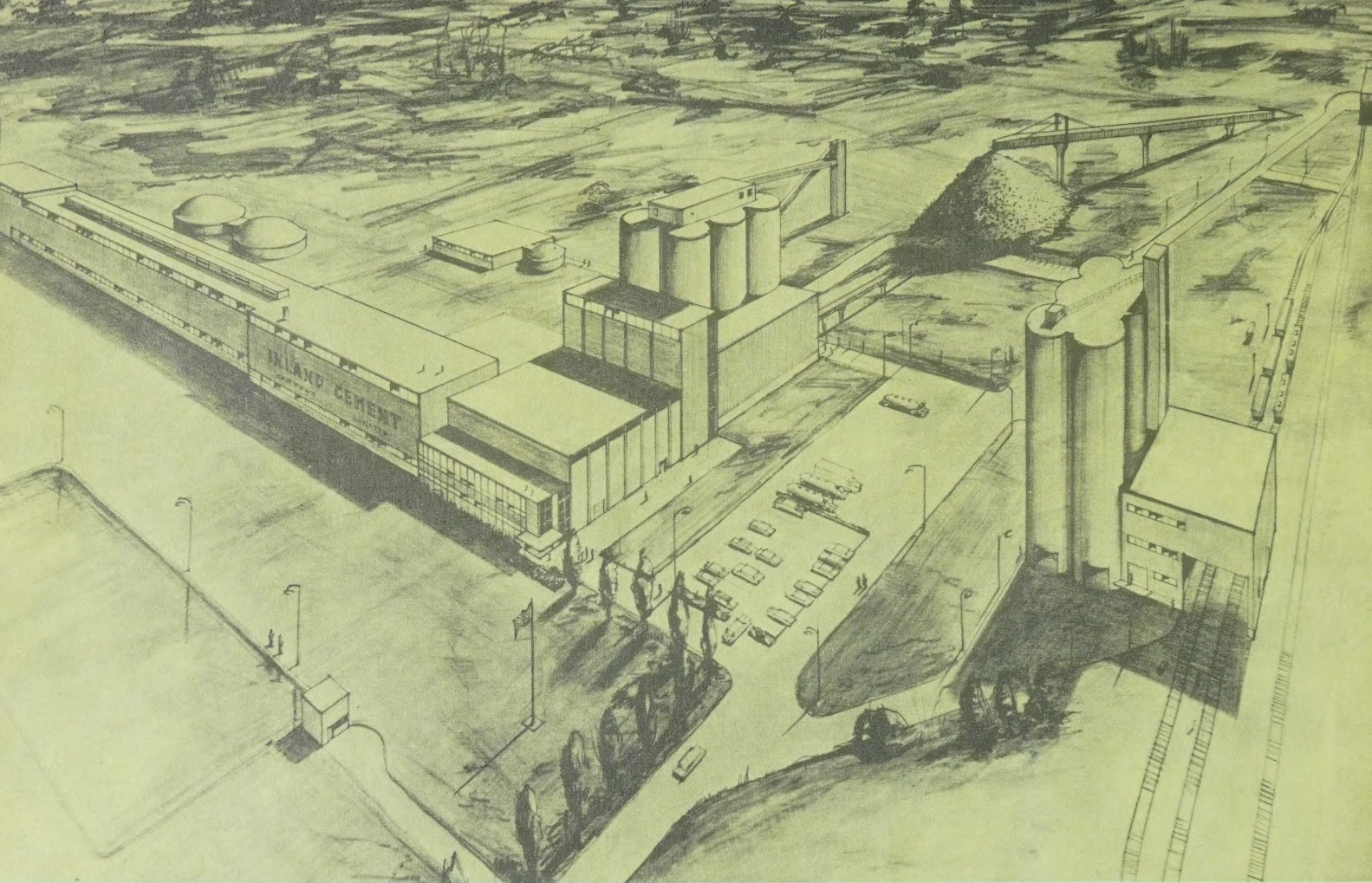


*Dramatically illustrating the Lyn-T roof type of concrete construction, this Alberta Liquor Control Board warehouse in Edmonton is of precast construction.*



*Regina's first all precast, pre-stressed concrete building is the Thom Collegiate.*





*Inland Cement's new Winnipeg plant is now under construction and is scheduled for completion in 1965.*

*Inland Cement Company Limited, Edmonton, Alberta.*

